Legislative Forecast for the 114th Congress

Updated October 5, 2015

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Congress Faces Fights over Trade, Debt Ceiling, Appropriations, and Highway Trust Fund in Coming Months

Prospective Items on Legislative Agenda in 114th Congress

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Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Immigration: Congress attempted to tie funding for DHS to repeal of President Obama's actions on immigration, but a filibuster in the Senate led to a clean funding bill	Medicare: Congress passed a surprising bipartisan long-term fix for Medicare payment rates and CHIP funding		International Trade: Congress voted to grant the president Trade Promotion Authority to facilitate negotiations of TPP and TTIP trade agreements Export-Import Bank: The bank's charter expired and Congress will make a decision this fall PATRIOT Act: The three key provisions expired, the USA FREEDOM Act is likely to replace it	Highway Trust Fund: Expired and a 3-month patch was enacted as Congress works towards a longer term deal		Appropriations: A short-term continuing resolution passed, funding the government at FY2015 levels through December 11, 2015 without language defunding Planned Parenthood. Iranian Nuclear Deal: Senate Democrats blocked a Republican resolution to reject the deal	Iranian Nuclear Deal: The date for Adoption Day will be around Oct 18 Tax Reform: Movement on comprehensive tax reform remains unlikely in a Republican Congress, but corporate tax reform is possible Highway Trust Fund: Lawmakers may pass another temporary extension of the bill before funding for some programs run out on Oct 29 International Trade: An agreement was reached on TPP on the 5th	Debt Ceiling: A stronger- than-expected tax season means extraordinary measures to stay under the debt ceiling will likely hold until November	Appropriations: Congress will likely pass an omnibus appropriations package before the short-term spending bill expires on the II th

Action Possible, Timing Unknown

No Child Left Behind: GOP Senators want to push for less federal involvement in school performance evaluation and move more responsibility to states

Online Sales Tax: Not a high priority, but lobbying efforts from states and small businesses are pushing the GOP to allow for collection of sales taxes for online purchases;
multiple bills have been introduced with differing mechanisms to address the issue

International Trade: The TPP agreement will be introduced in Congress within the next few months, where it will face up-or-down ratification votes under the rules of TPA



Affordable Care Act

Updated: October 5, 2015

Timeline of Key Recent Federal Actions on the Affordable Care Act

2012

2013

Mar 2015

May 2015

June 2015

NFIB v. Sebelius

The Supreme Court decided the constitutionality of the Affordable Care Act's individual mandate, deciding that penalties imposed are a constitutional application of Congress's taxing and spending power; however, the law's provision stripping all Medicaid funding from states if they did not opt-in to the Medicaid expansion was ruled unconstitutionally coercive.

"Continuing to Implement the ACA in a Careful, Thoughtful Manner"

The Treasury Department issued a memo delaying the employer mandate by one year, leading to criticism from Congress and an eventual lawsuit by the House of Representatives.

Supreme Court Oral Arguments in King v. Burwell

A statutory interpretation case before the Court challenged the IRS's ability to provide subsidies for individuals receiving health care via federal exchanges; oral arguments left the case's outcome uncertain.

FY2016 Budget Resolution

The joint budget resolution passed by both houses of Congress sets forth reconciliation provisions which will give the Senate the ability to write appropriations legislation repealing the Affordable Care Act via a simple majority vote.

King v. Burwell Decision

The Supreme Court ruled to uphold federal subsidies for all eligible Americans under the Affordable Care Act. The practical implications of the decision are significant because it allows the administration to move forward with full implementation and administration of the ACA without the threat of legal challenges to the basic structure or operation of the law

- The joint budget resolution includes language allowing for the repeal of the Affordable Care Act via reconciliation (only needing 5 I votes for Senate passage without possibility of a filibuster); it is possible that both houses will send a key appropriations bill to President Obama with a rider attached repealing (and potentially replacing) the law.
- It is almost impossible that the president would sign a bill repealing his signature legislative achievement; however, smaller reforms, such as changing the definition of a full-time worker or repealing the medical device tax have bipartisan support.
- While the King v. Burwell ruling does not safeguard the ACA from additional legal attacks, it further embeds Congress's intent to improve, not hurt insurance marketplaces with the ACA, thus making similar court litigation unlikely in the future.
- Though a complete repeal of the ACA is unlikely, the issue may resurface during the 2016 presidential campaign season.



Appropriations

Updated October 5, 2015

Timeline of Key Recent Federal Actions on Appropriations

Jan 2014

Sep 2014

Dec 2014

Feb 2015

May 2015

Sep 2015

Consolidated Appropriations Act, 2014

Omnibus spending package passed funding for the government through the end of September of 2014, following a temporary government shutdown in December 2013

Continuing Resolution, FY2015

A short-term continuing resolution passed, funding the government at FY2014 levels through December 11, 2014; this pushed appropriations deadlines into the lame duck session to avoid difficult votes for endangered congressional incumbents.

Consolidated and Further Continuing Appropriations Act of 2015

Just hours before a potential shutdown, Congress passed an appropriations package funding almost all appropriations categories through the end of FY2015, with a continuing resolution until March for the Department of Homeland Security.

President Obama's FY2016 Budget Request

The president submitted a budget request to Congress in February to begin the FY2016 budget and appropriations process.

FY2016 Budget Resolution

The joint budget resolution passed by both houses of Congress sets topline numbers to provide a formal framework for appropriations negotiations; the resolution also includes reconciliation language for use to repeal the Affordable Care Act via a majority vote.

Continuing Resolution, FY2016

A "clean" short-term continuing resolution passed, funding the government at FY2015 levels through December 11, 2015 without language defunding Planned Parenthood. A version of the bill that would have defunded Planned Parenthood passed in the House but was blocked in the Senate. Speaker Boehner resigned to make the possibility of a government shutdown less likely.

- Although 6 out of 12 appropriations bills have passed the House, Senate Democrats have blocked all spending bills from entering the Senate floor until caps on domestic spending are raised.
- Due to the stalled bills, the House and Senate passed a continuing resolution at the end of FY 2015, funding the government through December 11; Congress will likely pass an omnibus appropriations package as the new deadline approaches.
- If the appropriations package includes repeal of the Affordable Care Act (which can be passed through reconciliation via a simple majority vote in the Senate after the passage of the joint budget resolution), President Obama may veto the package, forcing Congress to renegotiate close to a shutdown deadline.



Debt Ceiling

Updated October 5, 2015

Timeline of Key Recent Federal Actions on the Debt Ceiling

2011

Budget Control Act of 2011

The BCA was designed to avoid a potential shutdown due to a failure to raise the debt limit in 2011; the act delegated authority to a 'supercommittee' to find an agreement on deficit reduction; however, no agreement was met, and so automatic penalty 'sequestration cuts' were put into effect.

Feb 2013

No Budget, No Pay Act of 2013

A bill which temporarily suspended the debt limit until May 28, 2013 and put Congressional pay on hold until a budget resolution could be passed.

Oct. 16, 2013

Continuing Appropriations Act, 2014

A continuing resolution passed in fiscal year 2014, which funded the government and suspended the debt limit until February 2015 to give lawmakers more time to negotiate a compromise proposal.

Feb 2015

Temporary Debt Limit Extension Act

Both houses of Congress passed a debt ceiling extension, suspending the ceiling until March 15, 2015. Mar 2015

Debt Limit Reinstated

The suspension of the debt ceiling was lifted in March; the Treasury is currently taking extraordinary measures to keep the government funded.

- The Treasury Department will likely exhaust extraordinary measures around November; with Republican control of Congress, the attachment of riders for key Republican legislative priorities may go along with any debt limit hike, including lifting of defense sequestration cuts and ACA reform.
- With Speaker Boehner resigning at the end of October, it's possible he could push for increasing the debt limit with bipartisan support before he leaves, although this would likely anger conservatives on the far right and create tensions in the GOP.



Act, 2008

Export-Import (Ex-Im) Bank

Updated: October 5, 2015

Timeline of Key Recent Federal Actions on the Export-Import Bank

2007

Appropriations bill passed for

FY2008 gave the Ex-Im bank the

and allows the Bank to hold \$50

has since been self-sufficient, but still guarantees loans with the full faith and credit of the U.S. government.

million in excess receipts to put

towards the following year's

Consolidated Appropriations Export-Import Bank Reauthorization Act of

2012

2012 Extended the Bank's charter for ability to use funds it collects to pay 2 years, until September 30, 2014, and codified reporting for the costs of its appropriations, and business plan requirements for the bank. appropriation expenses; the bank

July 2014

Export-Import Bank Reauthorization Act of 2014

A bill, introduced by Sen. Joe Manchin (D-WV), to directly extend the Bank's charter through 2019; the bill failed to get a vote in the Senate.

Sep 2014

Continuing **Appropriations** Resolution, 2015

Included in a short-term continuing resolution extending the Bank's charter through June 30, 2015.

July 2015

Export-Import Bank Charter Expires

Congress let the bank's charter expire on June 30. The bank continues to complete loans that are in process and collect outstanding loans, but it cannot issue any new insurance, loans, or guarantees.

- Congress's next chance to renew the Ex-Im Bank authorization comes as lawmakers are deliberating a number of issues, including spending bills, a long-term transportation infrastructure bill, as well as the extension of the nation's spending and borrowing authorities. Reauthorization of the Ex-Im Bank will likely be closely linked to one of these critical issues.
- Strong opposition from conservatives has prevented GOP leaders from bringing legislation to the floor to authorize the Ex-Im bank, although more than 30 Republicans have signed onto a discharge petition, which is a procedural maneuver to sidestep the committee process, that would force a vote on reauthorizing the bank.
- Speaker Boehner, who will resign from Congress on October 30, is a supporter of the Ex-Im Bank and has expressed a willingness to work across party lines to achieve progress on key issues such as Ex-Im reauthorization. Current House Majority Leader Kevin McCarthy strongly opposes the bank, potentially complicating the bank's path to reauthorization



Highway Trust Fund

Updated October 5, 2015

Timeline of Key Recent Federal Actions on the Highway Trust Fund

Feb 2014

Apr 2014

May 2014

July 2014

May 2015

July 2015

Department of **Transportation** Memo

Transportation Secretary Anthony Foxx sent Congress a memo warning that the fund will be depleted by August 2014 without Congressional intervention reauthorization proposal

GROW AMERICA Act

Secretary Anthony Foxx sends a draft of a longterm transportation bill to Congress as part of the President's four-year \$302 billion transportation

MAP-21 **Reauthorization Act**

A six-year surface transportation reauthorization bill passed out of the Senate **Environment and Public** Works Committee: the bill stalls and does not pass either chamber

Highway and **Transportation** Funding Act of 2014

A \$10.8 billion law keeping the fund solvent until May 2015, as a temporary patch prior to the August recess and projected insolvency.

Highway and **Transportation** Funding Act of 2015

A further two month extension of the Highway Trust Fund is passed by Congress; Republicans, including House Majority Leader Kevin McCarthy (R-CA) and House Wavs and Means Chairman Paul Ryan (R-WI) suggest paying for a more permanent extension of the fund by generating revenue through tax reform.

Surface Transportation and Veterans Health Care **Choice Improvement Act** of 2015

On the brink of insolvency, the House passes a short term 3month extension to allow for more time to negotiate a 6-year bill. The bill passed in the Senate as well, right after the Senate bassed the DRIVE Act, which reauthorizes highway spending for 6 years but only plans 3 years of funding. The President signs the 3-month patch.

- Next steps: While there might be a sufficient balance to maintain the solvency of the Fund through the third quarter of FY 2016, many of the programs funded through Highway Trust Fund are only authorized through October 29, 2015. New obligations cannot be started until the Highway Trust Fund is authorized before October 29th. This could mean that lawmakers pass another temporary extension of the bill instead of deciding on a multiyear transportation bill.
- GOP leadership wants to provide more permanent revenue for the Highway Trust Fund by attaching tax reform proposals to the bill
- It is possible that tax reform proposals, such as a tax repatriation holiday, could help fund a more permanent extension



Immigration

Updated: August 3, 2015

Timeline of Key Recent Federal Actions on Immigration

2013 July 2015 2012 2014 Feb 2015 Mar 2015

Deferred Action for Childhood Arrivals (DACA)

An executive action signed into law by Barack Obama. Suspended deportation of certain immigrants who arrived in the U.S. illegally as children. Obama's use of executive action signaled lack of bipartisan support for the measure.

Border Security, **Economic** Opportunity, and **Immigration Modernization Act**

A bibartisan reform proposal to create a path to citizenship conditional on increased border security, as well as new visa classifications; passed the Senate on a 68-32 vote, but was never taken up by the House.

Deferred Action for Parents of Americans States (DAPA)

An executive action signed filed a lawsuit in federal into law by Barack Obama court seeking to block expanding the pool of eligible recipients of DACA and a judge issued a and providing deportation relief to certain parents of U.S. citizens and lawful permanent residents.

Texas v. United

Texas and 16 other states implementation of DAPA, preliminary injunction on the actions.

Department of **Homeland Security Appropriations Act**

The House voted to end both DACA and DAPA as a condition of funding DHS, but the Senate filibustered the measure; the House eventually passed a bill funding DHS without conditions.

Enforce the Law for **Sanctuary Cities Act**

The House voted, mostly along party lines, to deny some federal funding for jurisdictions that prohibit law enforcement from asking people about their citizenship or immigration status. The bush for this legislation was fueled by the July I San Francisco murder of Kathryn Steinle, allegedly by an individual with a criminal history who was residing in the country unlawfully.

- · While the Republicans muted criticism after a federal court put a stay on the immigration action in February, if the actions are ultimately upheld, immigration hawks will likely again attach a provision or rider to appropriations items to block the actions from being enacted
- It is unclear what action the Senate will take in response to the issue of sanctuary cities, although Sen. Charles E. Grassley (R-IA) introduced Kate's Law, which would impose a mandatory five-year prison sentence on undocumented immigrants who are deported and then return to the United States
- The White House threatened to veto such legislation and prefers Congress act on a comprehensive immigration reform package



Updated October 5, 2015

Timeline of Key Recent Federal Actions on International Trade

2012 2014

May 14, 2015

June 12, 2015

June 29, 2015

2015 After the Trade Act

of 2015 failed to pass,

separately by attaching

1295 and H.R. 2146).

authority and TAA

"Fast Track"

Preferences

October 5, 2015

White House Issues **Request For Trade**

initially requested fasttrack authority, which allows the administration to negotiate international trade agreements with only assist ongoing TPP and an up-or-down vote needed from Congress to enact agreements, during negotiations on the Trans-Pacific Partnership (TPP) in and no further action was 2012.

Bipartisan Congressional Trade Promotion Authority Priorities Act of 2014

The Obama administration Bill introduced by Rep. Dave Bill that reauthorizes Baucus (D-MT) to provide the administration trade promotion authority to Transatlantic Trade and Investment Partnership (TTIP) negotiations; the bill was referred to committee taken.

Trade Facilitation and Trade Enforcement Act of 2015

Camp (R-MI) and Sen. Max customs and border patrol enforcement (H.R. 644) basses in the House, it later basses in the Senate with an amendment. The House House voted on the barts did not approve the amendment, and the bill will go to conference.

Trade Act of 2015 Fails to Pass

The Trade Act of 2015 contained two parts: Trade Extension Act of Promotion Authority (TPA) and Trade Adjustment Assistance (TAA). While it passed in the Senate, the separately and only passed them to other bills (H.R. TPA. Though Democrats overwhelmingly support TAA, they voted against it in the House in order to kill the entire bill.

Trans-Pacific Partnership Enacted and Trade **Agreement Reached**

After 8 years of negotiations, the US and 11 Pacific Rim nations reached an agreement on TPP, a historic trade deal Congress passed fast-track encompassing 40% of the world's economy. The agreement will be introduced in Congress within the next few months, where it will face ubor-down ratification votes under the rules of TPA.

- President Obama's Trade Promotion Authority makes it more likely that the Trans-Pacific Partnership will be supported by a majority vote in both chambers; however, the deal will likely face opposition from labor unions, conservatives, and others. It will be difficult to predict the deal's fate in Congress until the full 30 chapters of text is made available to the public. (See also: Timeline of Requirements for Trade Agreements under TPA 2015)
- The Senate has appointed conferees for the customs reauthorization: Sens. Hatch (R-UT), Wyden (D-OR), Thune (R-SD), Isakson (R-GA), Schumer (D-NY), and Stabenow (D-MI). The House has not voted on a motion to conference.



Iranian Nuclear Negotiations

Updated: October 5, 2015

Timeline of Key Recent Federal Actions on Iranian Nuclear Negotiations

2013

Executive Order 13645

An executive order which increased sanctions against Iran by targeting currency trading for the rial (Iran 's currency) and dealings with the Iranian automotive sector; this action built upon several other prior sanctions actions taken against Iran 's nuclear program.

Mar 2015

Senate Open Letter to Iran

Sen. Tom Cotton (R-AR) sent a letter to Iran's senior leadership, cosigned by 46 other Senators, to convey that an executive agreement on nuclear proliferation could be overturned by a future president unless ratified by the Senate.

Apr 2015

Framework Agreement on Nuclear Program

President Obama announced a framework for an agreement on Iran's nuclear program, including a phase-out of sanctions in exchange for reductions in and regular inspections of centrifuges and uranium stockpiles.

May 2015

Iran Nuclear Agreement Review Act of 2015

A law which subjects an Iranian nuclear deal to congressional review; The president is required to keep Congress informed on a quarterly basis of Iranian compliance with any deal, and if Iran breaches the agreement or the president fails to issue a quarterly certification, sanctions may be restored by Congress.

July 2015

Deal Reached with Iran

On July 14, the White House announced a deal with Iran to cap, restrict, monitor, and roll back Iran's nuclear program in exchange for the lifting of international sanctions. On July 20, the United Nations Security Council unanimously voted in favor of the Iran deal.

- The deal was formally introduced to Congress on July 20, 2015. Following a 60 day review period, Senate Democrats blocked a Republican resolution to reject the deal, thus ensuring that the deal will take effect without a Presidential veto.
- The deal will officially go into effect on Adoption Day, which will be around October 18 according to a Senior State Department Official. This marks the day, prior to issuing sanctions relief, that Iran must begin to adapt its nuclear program to comply with the terms of the deal.
- Implementation Day, which is currently an unknown date likely to be in early 2016, will be when the IAEA verifies whether Iran has complied with certain terms of the deal and when the US, EU and UN will conditionally terminate a host of Iranian sanctions.



Keystone XL

Updated October 5, 2015

Timeline of Key Recent Federal Actions on the Keystone XL Pipeline

Jul 2010

Dec 2011

lan 2012

Mar/Apr 2013

Nov 2014

Feb 2015

EPA Comments on State Department Draft Environmental Impact Report

The EPA suggested that the State Department's review of the pipeline should include harms from heightened greenhouse gas emissions from oil-sands crude.

Temporary Payroll Tax Cut Continuation Act of 2011

An end-of-year bill temporarily extending payroll tax cuts is signed into law with a rider requiring President Obama to make a decision on the Keystone XL pipeline permit.

State Department Permit Rejection

President Obama, acting with guidance from the Department of State, denied a permit to Keystone XL on the grounds that the 60-day window provided by Congress was not enough time to gain necessary additional information needed to give approval to the project.

Draft Supplemental Environmental Impact Statement

The State Department issued a supplemental environmental impact statement arguing that a proposed alternative route would cause no significant impacts to resources; the EPA released a letter challenging the conclusions of the statement.

A Bill to Approve the Keystone XL Pipeline

The Senate voted to directly approve the Keystone XL pipeline during the 2014 lame duck session, but the bill failed to pass by one vote.

Keystone XL Pipeline Approval Act

The House and Senate passed a bill to directly approve the Keystone XL pipeline after the new Republican-controlled Senate was sworn in, but President Obama vetoed the legislation, arguing that approval should be up to the executive branch. The Senate tried and failed to override the veto.

Potential Actions in 114th Congress

- The veto (and failed override) of the Keystone XL Pipeline Approval Act likely means no further action will be taken to pass legislation
 with a focal point of approving the pipeline by Congress in 2015; approval or denial of the project may come through administrative
 review
- Republicans have threatened, post-veto, to attach approval of the pipeline as a rider to must-pass appropriations legislation in order to force the president's hand on approving the pipeline project
- As of fall 2015, the State Department is still considering the project

See where candidates stand on the Keystone XL: Republican Presidential Candidates Part 1, 2, or 3 Democratic Presidential Candidates



Timeline of Key Recent Federal Actions on Medicare

2008

Mar 2014

Apr 2014

Mar 2015

Patient Protection and Affordable Care Act of 2010

Major health care law passed in 2010; in addition to reforming the market for private insurance, it reduced payments to Medicare Advantage plans and created the Independent Payment Advisory Board to regulate Medicare costs, among other reforms.

SGR Repeal and Medicare **Provider Payment** Modernization Act of 2014

Bill proposed as a way to permanently end the Medicare SGR growth rate and replace it with a system which would, after a grace period, reward providers for participating in Alternative Payment Models (APM); the bill included a provision delaying the implementation of the ACA's individual mandate to buy health insurance for five years. It was never taken up by the Senate.

Protecting Access to Medicare Act of 2014

One in a long line of annual delays (often called "doc fixes") to cuts to Medicare reimbursement rates via the Sustainable Growth Rate; the bill delayed the implemented SGR reimbursement rate cuts for one year. The bill was paid for primarily through targeted Medicare cuts to specialized providers.

Medicare Access and CHIP Reauthorization Act of 2015

A bill similar to the SGR Repeal and Medicare Provider Payment Modernization Act of 2014 without a delay of the individual mandate, the law permanently repeals the SGR growth rate, replacing it with a plan which will reward providers who participate in alternative payment models and increase Medicare premium rates on certain higher-income individuals, among other reforms.

- Further changes to Medicare are unlikely after unexpected passage of the Medicare Access and CHIP Reauthorization Act, which reformed Medicare and ended the SGR; however, the joint budget resolution passed in May calls for the cost of that law to be fully offset, increasing the likelihood of further reforms
- Rep. Sam Graves (R-MO) introduced the Medicaid Audit Improvement Act of 2015 in late April, which would replace Recovery Audit Contractor contingency payments, put more oversight on auditors whose audits are frequently overturned on appeal, and eliminate the one-year filing limit on Medicare Part B claims; the legislation has bipartisan co-sponsors, but appears to have stagnated in the House



No Child Left Behind

Updated July 31, 2015

Timeline of Key Recent Federal Actions on No Child Left Behind

2007

2011

July 8, 2015

July 16, 2015

No Child Left Behind Act 'Expires'

No Child Left Behind was nominally set to expire on September 30, 2007, with a goal of rewriting and reauthorizing the bill. The law remained in-effect due to a provision that the law would continue in its original form if Congress didn't act after the 'expiration date.' The original expiration date made the initial bill appear cheaper in CBO scoring.

Obama Administration Begins Waiver Program

Without a clear path towards replacement or revision of the law, and with the law's original 2014 deadline for proficiency in reading and math looming, the Obama Administration offered to waive the proficiency deadline and other requirements for states which overhaul low-performing schools and enact more stringent teacher evaluation systems.

Student Success Act

The House passed a NCLB replacement bill which would eliminate federal mandates for educational standards and poor performing schools, allow schools and parents to opt out of standardized testing, and change the funding formula to have money follow individual low-income students rather than stay at schools with the most low-income students. The bill passed with no Democratic support.

Every Child Achieves Act of 2015

The Senate passed a bipartisan bill put together by Sens. Lamar Alexander (R-TN) and Patty Murray (D-WA), which would maintain annual standardized tests and funding for low-income schools while reducing the Education Department's oversight and regulatory authority over state programs designed to improve educational outcomes for low-income and minority students.

- Now that the House and Senate have passed different versions of a NCLB rewrite, a conference committee chaired by Rep. John Kline (R-MN) will begin negotiating a compromise bill post-recess
- · Obama has threatened to veto the House bill due to the changes it would make to distribution of funding
- Democrats and the Obama administration want an accountability measure that both bills currently lack, in order to ensure that states will be able to define and help struggling schools and students



Online Sales Tax

Timeline of Key Recent Federal Actions on an Online Sales Tax

2011 Jan 2015 Mar 2015

Marketplace Fairness Act of 2011

A bill introduced by Sen. Mike Enzi (R-WY) which would have allowed states operating under the Streamlined Sales Tax and Use Agreement to require businesses which collect more than \$500,000 in gross remote sales receipts to collect sales taxes on goods sold to residents of their states, even if the business is located in another state. The bill stalled in the Senate.

Marketplace Fairness Act of 2013

A bill which passed the Senate in 2013 which would have allowed states operating under the Streamlined Sales Tax and Use Agreement to require businesses which collect more than \$1,000,000 in gross remote sales receipts to collect sales taxes on goods sold to residents of their states, even if the business is located in another state. The bill was never taken up by the House.

Online Sales Simplification Act of 2015

A draft bill released in the House by Reps. Bob Goodlatte (R-VA) and Anna Eshoo (D-CA); in contrast to the Marketplace Fairness Act, the bill would enable states to have out-of-state buyers pay sales tax to the state in which the seller is located, rather than the seller remitting collected sales tax to the purchaser's state.

Marketplace Fairness Act of 2015

A bill which has been introduced by Sen. Mike Enzi (R-WY) in the Senate in 2015; it is exactly the same as the 2013 version of the bill that passed the Senate. The bill has been referred to the Senate Finance Committee.

- House and Senate are divided on how to approach the issue; the Marketplace Fairness Act, which has been the model for online sales tax legislation for the past several sessions, has not been taken up by the House, in part due to concerns over allowing states to tax businesses located elsewhere
- An alternative plan put forward by Reps Bob Goodlatte (R-VA) and Anna Eshoo (D-CA) may help to alleviate those concerns, but there is no clear coalition backing one plan or the other
- Given the pressing nature of several issues with clear deadlines, and no clear consensus on the right policy mechanism, an online sales tax is a low-priority item in 2015



PATRIOT Act

Updated: August 3, 2015

Timeline of Key Recent Federal Actions on the PATRIOT Act

2011

PATRIOT Sunsets Extension Act of 2011

The act was renewed for four years until July 1, 2015, preventing the expiring of three key provisions: roving wiretaps, lone wolf surveillance for terrorism suspects, and the ability to access a wide array of personal records of terrorism suspects (often called the 'library provision'.)

2013

H. Amdt. 413 to **Department of Defense Appropriations Act, 2014**

An amendment proposed by Michigan Reps. Justin Amash (R) and John Convers (D) in the aftermath of the Edward Snowden NSA leaks, the amendment would have restricted governmental authority to mass collect metadata on Americans: it failed in the House on a vote of 217-205.

2014

USA FREEDOM Act of 2014

A bill proposed by Sen. Patrick Leahy which would require the phone companies and limited the amount and distance of connections the NSA could gain from a court. The bill would also have appointed public advocates for privacy rights and civil liberties in federal surveillance courts. The Senate Maj. Leader Mitch bill failed to achieve cloture in the McConnell (R-KY) introduced a Senate by a vote of 58-42.

May 2015

USA Freedom Act of 2015; **Temporary Extension** (S.1357)

The USA FREEDOM Act of 2015 NSA to request specific data from includes a provision that requires the government to identify a specific person or account from a provider rather than allowing for mass collection of data: the measure passed the House but failed a Senate cloture vote. temporary two-month extension (S. 1357) for the PATRIOT Act's expiring provisions, but the vote also failed to achieve cloture.

lune 2015

Congress Allows Key Provisions of PATRIOT Act to Expire

With the help of Sen. Rand Paul's (R-KY) parliamentary maneuvers, three key provisions of the PATRIOT act expired on July 1, 2015. On June 2, the Senate passed the USA Freedom Act, which ended government collection of telephone metadata and instead mandated phone companies to store the records.

- On June 29, 2015, The Foreign Intelligence Surveillance Court approved a government request to renew the National Security Agency's bulk collection of Americans' phone records for six months, or until November 29, 2015, even though the program lapsed with the expiration of the PATRIOT ACT.
- While the USA Freedom Act calls for the eventual end to the NSA's bulk collection of Americans' information, the legislation contains language that calls for a six-month transition period, giving the NSA time to implement a more limited and targeted surveillance regime.



Tax Reform

Updated August 3, 2015

Timeline of Key Recent Federal Actions on Tax Reform

2012 Feb 2014 Sep 2014 lan 2015 Jul 2015 2004

American lobs Creation Act of 2004

A law which repealed certain excise taxes and trade subsidies and created tax credits for various businesses and products, including biofuels. The act also included a tax repatriation extended certain holiday to attempt to generate economic stimulus.

American Taxpayer Relief Act of 2012

A law which made a series of Bush administration tax cuts tax rates on dividends. estate taxes, and payroll taxes; the bill also certain tax breaks for lower-income families.

Tax Reform Act of 2014

A comprehensive draft proposal for tax reform which was released by thenpermanent, but increased House Ways and Means Committee Chair, Rep. Dave inversions, including Camp (R-MI); the bill would have lowered corporate and individual tax rates and corporate tax breaks and simplified the tax code, but faced wide opposition and was only ceremonially put to the floor at the end of 2014.

Treasury Actions on Senate Finance Inversion

Treasury Secretary lack Lew put forward a series of measures designed to reduce benefits of tax blocking inverted companies from transferring assets to parent companies and accessing foreign earnings.

Committee Tax **Working Groups**

The Senate Finance committee created five tax reform 'working groups' on different issue areas to create proposals for tax reform in the 114th Congress. These reports were presented in July 2015; however, there was no consensus or clear plan for reforms.

Portman-Schumer Plan

Sens. Portman (R-OH) and Schumer (D-NY) proposed a framework to tax all US corporate profits abroad regardless of repatriation, but at a significantly lower rate. These profits would fund the Highway Trust Fund. The plan is supported by Rep. Paul Ryan (R-WI), but opposed by Senate majority leader Mitch McConnell (R-KY), who wants any international tax reform to be part of a comprehensive tax reform.

- Though there were originally proposals to use FY2016 budgetary reconciliation authority to address comprehensive tax reform, the joint budget resolution tied reconciliation language to repeal of the Affordable Care Act
- Proposals for moderate tax reform tied to renewal and funding of the Highway Trust Fund will make their way through Congress; any other plans for tax reform will likely be low priority until after the 2017 elections
- Comprehensive tax reform is unlikely in a short window; the most likely scenario for reform is likely to be another repatriation holiday or other international tax reforms